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IN THE

Supreme Court of the United States

October Term, 1941
No. 680

U. S. INDUSTRIAL CHEMICALS, INC.,
Petitioner,

versus

CARBIDE AND CARBON CHEMICALS CORPORATION,
Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

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This is an ordinary suit for patent infringement decided in favor of respondent by the District Court, and unanimously affirmed by the Court of Appeals for the Fourth Circuit. Concurrent rulings were adverse to petitioner on all defenses urged, and were based on concurrent findings of fact which it now seeks to have reviewed. An extensive petition for rehearing was presented and denied. There have been no other decisions on the patent. The case presents no special circumstances to justify review.

As this Court in *Keller* v. *Adams-Campbell Co.*, 264 U. S. 314, 319, said:

> "Such an ordinary patent case with the usual issues of invention, breadth of claims and non-infringement,

this Court will not bring here by certiorari unless it be necessary to reconcile decisions of Circuit Courts of Appeal on the same patent."

Further Statement of the Case

Petitioner's "Statement of the Case" requires both correction and amplification. References to the part of the record printed as Appendix to Plaintiff-Appellee's Brief will be (App. R.) and to the part printed as Supplement to Defendant-Appellant's Brief will be (Supp. R.).

The patented subject matter concerns a highly technical chemical process for making an old and well-known commercial product, ethylene oxide. The invention was radically new (App. R. 183). The patentee invented a method of directly combining the two gases ethylene and oxygen to yield ethylene oxide without accompanying formation of other oxygenated compounds, such as aldehydes. He discovered that ethylene oxide is thus produced by subjecting a mixture containing ethylene and molecular oxygen to an active surface silver catalyst and a 150°-400° C. temperature in a confined space, called the reaction zone, with water always present in such zone (App. R. 21). At these temperatures the water is, of course, in vapor form.

The invention was made in France by a citizen of that country. His original application for United States Letters Patent was drafted and prosecuted by a French attorney unfamiliar with chemistry. The original patent issued April 23, 1935. Petitioner and respondent were independently in communication with the French owner in the Spring of 1936. Respondent succeeded in acquiring the American rights in April 1936, and petitioner was notified of that fact by the French owner (App. R. 148).

Application for reissue of the patent was promptly filed in September 1936 in strict conformity with the statute. After a thorough consideration by the Patent Office (Supp.

R. 285-365) the reissue patent was granted in May 1937. Both the District Court and the Circuit Court of Appeals made findings of fact that the reissue patent was for the same invention as the original patent, and valid. On this issue, both courts made findings that the introduction of water (as distinguished from its presence)* in the reaction zone was not an essential or material step in the process disclosed by both the original and reissue patents.

Findings of Fact No. 7 and No. 8 of the District Court recite:

> "7. There is no variance between the invention described in the specifications and claims of the original patent and in the specifications and claims 8 and 9 of the reissued patent in suit.
>
> 8. With respect to water, the specifications of the original patent are not essentially different from those in the reissued patent. Professor Arthur B. Lamb, testifying on behalf of the plaintiff, has satisfied the Court, through his very clear exposition of the character and results of his laboratory tests, that one skilled in the art, following the teachings of the original patent, will be successful in producing what that patent calls for, and in obtaining such result whether the addition of water be considered as mandatory or as optional, and that he will obtain the same result if he follows the teachings of the reissued patent in suit. In other words, what Professor Lamb accomplished by following the original patent proves not only the adequacy of its disclosure as to how to carry out the process successfully, but, in addition, conclusively demonstrates that there is no variance between the

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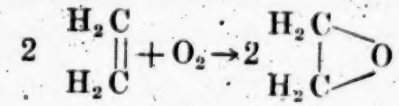
*Some water is always formed and present in the reaction zone, but, regardless of its source, water does not enter the ethylene oxide forming reaction.



Water is not a reactant in the process (App. R. 101).

> subject matter of the original and the reissued patent. This testimony is confirmed by the testimony of Professor Frazer, the inter-partes neutral witness*, and also by that of Professor Stevenson and Dr. Curme, witnesses for the plaintiff." (Supp. R. 24)

As to these the Circuit Court of Appeals said:

> "Is this difference vital, essential, substantial, material? Judge Coleman answered this question categorically in the negative, in his findings of fact number 7 and number 8." (App. R. 177)

and

> "* * * their testimony [of plaintiff's witnesses and the court-appointed neutral expert] set against, and read in the background of the entire record of the instant case, affords ample warrant for the findings by Judge Coleman." (App. R. 181-182)

Thus the courts below rested their rejection of the defense of different invention on concurrent findings of fact. Petitioner now merely readvances the same contentions and citations urged before the Courts below. Every one of the decisions of this Court cited on pages 5 and 6 of the petition was cited and discussed in Petitioner's Main Brief before the Circuit Court of Appeals and in its Petition for Rehearing. The fact that such court carefully considered petitioner's contentions before finding them untenable is apparent from the fact that many of those decisions are referred to in its opinion.

The present case is not one where the reissue was applied for in the light of, or to cover, any development subsequent to the application for the original patent. Petitioner's infringing operations were not begun until two years after the reissue patent was granted, nor until two years and seven months after the application for reissue had been filed (Supp. R. 228).

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* Appointed by the District Court.

What relatively slight work had been done by petitioner did not have even experimental fruition prior to the filing of the application for the reissue (Supp. R. 224). There is no proof of record by which petitioner's laboratory expense can be related to the infringement begun two and one-half years later (Supp. R. 197). The petitioner embarked upon its infringement with full knowledge and after notice of the reissue patent (Supp. R. 228). Both courts below found the foregoing facts, and consistently followed applicable decisions of this Court in rejecting the defense of intervening rights.

Questions Presented

Under this heading the petition postulates as fact, matters found not to be facts by both courts below. The first so-called question reads:

> "Can a patent for a process which includes a step asserted to be mandatory and described and claimed in the original patent as an essential feature of the invention be reissued to include a process which achieves the same result while dispensing with the step in question?" (Pet. p. 5)

On the contrary, as pointed out above, the introduction of water, as distinguished from its presence, in the reaction zone is **not** "an essential feature" in the invention at bar, and was **not** "described and claimed in the original patent as an essential feature". These facts were concurrently found below (App. R. 177-178).

The second so-called question reads:

> "Does one who in good faith and at great expense completely developed a process which does not infringe an original patent but does infringe the broadened claims of a reissue granted after the development work is complete but before the new process is put

> into commercial use, acquire intervening rights barring injunctive relief against continued use of the process!'' (Pet. p. 5)

To the contrary, it was concurrently found below that petitioner's conduct of the process to be enjoined was not a ''continued'' use but was a subsequently begun use (App. R. 186); that the filing date of the reissue application preceded any substantial expense and any consummation of petitioner's laboratory work (Supp. R. 204, 225); and that infringement was not innocent. Moreover, if by ''developed'' a ''new'' process, petitioner intends to imply that it discovered the possibility of omitting the introduction of water to the reaction zone, or that its process lacks such introduction, both implications are unwarranted. The concurring fact findings of both lower courts are that such introduction of water is immaterial to the process of both the original and reissue patents (*supra* pp. 3, 4), and petitioner's own description of the process practiced by it states that 1.5% of water is introduced to the reaction zone in addition to that formed therein (Supp. R. 279).

The sole question properly before this Court on the petition is,

> In the absence of (a) any conflict of decision on the patent, (b) any public interest affected by the suit, and (c) any conflict in principle of law between the decision below and the applicable decision of this Court, should writ of certiorari be granted merely to review concurrent findings of fact by the courts below?

Summary of Argument

I.

There is no conflict of decisions on the patent at bar, no question of law not heretofore settled by this Court, and no question decided below inconsistently with the decisions of this Court or of the Circuit Courts of Appeals.

II.

The decisions below denying petitioner's claim of intervening rights consistently follow the applicable decisions of this Court and of the Circuit Courts of Appeals.

III.

Petitioner's argument for review on the ground that there is remote likelihood of future litigation on the patent is conceded by petitioner to have no support in the record. It has no more basis than in any conventional patent suit instituted when the first infringement occurs, and is untenable.

Argument

I.

There is no conflict of decisions on the patent at bar no question of law not heretofore settled by this Court and no question decided below inconsistently with the decisions of this Court or of the Circuit Courts of Appeals.

Petitioner represents that the introduction of water as distinguished from its presence, in the reaction zone was an essential step in the process of the original patent and that the Circuit Court of Appeals below so found the fact. To the contrary, the lower courts concurred in the finding of fact that such introduction of water was non-essential, non-substantial, and immaterial in the process of the original patent.

The Court of Appeals stated that, while the original patent contemplated always introducing water, such introduction was not disclosed as essential in the process. It supported its finding by reference to the original patent disclosure, saying:

> "We think it is fair to state, in the light of the record in this case, that under the original patent, the essentially vital aspects of the process are (1) subjecting ethylene to the action of the oxygen of air; (2) in a reaction-chamber at controlled and specified temperature; (3) in the presence of a designated type of catalyst." (App. R. 178)

It reenforced this finding by further reference to the disclosure of the original patent as to the non-essential role of water in the chemistry of the process. Water is there stated to increase the efficiency of the process and to diminish undesirable by-products besides being a convenient diluent, and, as the Court remarked, "the original

patent does not mention quantity or proportion of water that was to be voluntarily introduced" (App. R. 178). Even petitioner's expert admitted that the amount is not material (App. R. 92).

The patent statutes require an applicant for a patent to state in his specification what he considers the best way of carrying out his invention, but the refinements thus indicated as preferred do not thereby become restrictive essentials. Neither court below found that the claims of the original patent included an expressed limitation to the voluntary introduction of water. The original claims called for "subjecting ethylene to the simultaneous action of oxygen and water" without specifying whether the water was introduced separately, or with the air, or was present by formation *in situ*. In petitioner's process, as conducted, some water is introduced with the air and a further quantity is present by formation *in situ* (Supp. R. 279-280). Claims 8 and 9 of the reissue patent likewise require the joint presence of ethylene, oxygen and water in the reaction zone, which all the expert witnesses agreed is the only place of interest (App. R. 95; Supp. R. 132).

Having found from consideration of the original patent that the voluntary introduction of water was non-essential, the Court of Appeals went on to consider the testimony of the witnesses skilled in the art as to what the original patent disclosed to them, and found its own conclusion confirmed since "the expert testimony here strongly favors the contentions of the plaintiff" (App. R. 180).

The concurrent finding that there is no essential, substantial or material difference between the reissue and the original patents was recognized as controlling the conclusion in favor of the validity of the patent under the applicable decisions of this Court, since the Circuit Court of Appeals stated:

> "The law is clear, under the reissue statute (Rev. St. §4916; U. S. C. A., Title 35, §64), that there can be no reissue patent for a new invention. Indeed, the

cases go much further than this to hold that the reissue patent is invalid if, between the inventions disclosed first in the original patent and then in the reissue patent, there be variances that are essential, substantial and material. A leading case is Parker & Whipple Co. v. Yale Clock Co., 123 U. S. 87. Other important cases are Seymour v. Osborne, 11 Wall. 516; Powder Co. v. Powder Works, 98 U. S. 126; Mahn v. Harwood, 112 U. S. 354. And the United States Supreme Court has cited and applied the Parker & Whipple Co. case, supra, in Matthews v. Ironclad Mfg. Co., 124 U. S. 347, 351; Yale Lock Co. v. James, 125 U. S. 447, 464; Corbin Cabinet Lock Co. v. Eagle Lock Co., 150 U. S. 38, 42-43. And see, decided by this Court, the cases of Marvel Buckle Co. v. Alva Mfg. Co., 196 F. 1006; A. D. Howe Machine Co. v. Cooffield Co., 197 F. 541. Yet a reissue patent is not invalid merely because the reissue patent contains claims broader than the original, Topliff v. Topliff, 145 U. S. 156, or claims narrower than the original, Miller v. Brass Co., 104 U. S. 350." (App. R. 174-175)

This Court has consistently held broadened reissue patents valid where the differences from their originals were non-essential, or unsubstantial, or immaterial; and has consistently held other broadened reissues invalid where the differences from their originals were essential, or substantial, or material.

In *Seymour* v. *Osborne*, 78 U. S. 516, 544, 545, this Court said:

"Power is unquestionably conferred upon the commissioner to allow the specification to be amended if the patent is inoperative or invalid, and in that event to issue the patent in proper form; and he may, doubtless, under that authority, allow the patentee to redescribe his invention and to include in the description and claims of the patent not only what was well described before but whatever else was suggested or substantially indicated in the specification or drawings which properly belonged to the invention as actually

made and perfected. • • • Letters patent reissued for an invention substantially different from that embodied in the original patent are void and of no effect, • • •."

In *Morey* v. *Lockwood*, 75 U. S. 230, 241, the reissue was held valid where,

"The change is one of form and not of substance • • •."

In *Moffit* v. *Rogers*, 106 U. S. 423, 427, 428, the reissue was held invalid because:

"It is, therefore, clear that it covers a contrivance essentially different from that described in the original specification and claim. • • •

The difference between the device covered by the specification and first claim of the original patent, and the device which might be embraced by the specification and first claim of the reissued patent, is essential and palpable. • • •

The specification and first claim of the reissued patent are a plain attempt to include a device which was not and could not be fairly covered by the original patent."

In *Marsh* v. *Seymour*, 97 U. S. 348, 356, it is said:

"but the patentee may redescribe his invention, and include in the description and claims of the specification not only what was well described before, but whatever else was suggested or substantially indicated in the old specification, drawings, or patent-office model, which properly belonged to the invention as actually made and perfected."

In *Powder Company* v. *Powder Works*, 98 U. S. 126, the reissue was held invalid because it was for a process of compounding nitro-glycerine with gunpowder instead of the originally claimed process of exploding nitro-glycerine. The Court said at page 137:

"The invention of the one did not involve the invention of the other. The two inventions might have been made by different persons, and at different times."

In *Collar Company* v. *Van Dusen*, 90 U. S. 530, 558, th Court held:

> "Whether a reissued patent is for the same inve tion as the surrendered original or for a different on must very largely be determined by a comparison the two instruments, as the decision must necessaril depend upon the question whether the specificatio and drawings of the reissued patent are not substa tially the same as those of the original; and if no whether the omissions or additions are or are n greater than the law allows to cure the defects of th original specification."

In *Smith* v. *Goodyear Dental Vulcanite Company*, 93 U. S 486, 499, 500, the reissue was held valid because:

> "Certainly it is not another process; and as its resu is the same, it is impossible to hold that the reissue patent is for a different invention from the one pr tected by the original patent."

In *Topliff* v. *Topliff*, 145 U. S. 156, 171, it is said:

> "To hold that a patent can never be reissued for a enlarged claim would be not only to override th obvious intent of the statute, but would operate i many cases with great hardship upon the patente The specification and claims of a patent, particularl if the invention be at all complicated, constitute on of the most difficult legal instruments to draw wit accuracy, and in view of the fact that valuable inve tions are often placed in the hands of inexperience persons to prepare such specifications and claims, it i no matter of surprise that the latter frequently fa to describe with requisite certainty the exact inve tion of the patentee, and err either in claiming tha which the patentee had not in fact invented, or i omitting some element which was a valuable or esse tial part of his actual invention."

In the *Topliff* case, the Court reviewed the cases which had been decided since the *Mahn* v. *Harwood* case (112 U. S. 354) and, as to those in which reissues had been held invalid, stated at page 169 that:

> "it will be found that the opinion of the court was put upon the ground, either that the patentee had been guilty of inexcusable laches, usually of from four to sixteen years, or that circumstances had occurred since the granting of the original patent which made the reissue operate harshly or unjustly to the defendant in the case."

Of the thirteen decisions of this Court cited on pages 5 and 6 of the petition, ten were rendered before the *Topliff* v. *Topliff* decision. As to the three rendered later:

Huber v. *Nelson*, 148 U. S. 270, involved a patent where the flushing tank, an element of the combination of all the original claims, was eliminated from the claims of the reissue for the purpose of covering intervening devices.

Corbin v. *Eagle Lock Co.*, 150 U. S. 38, involved a reissue for the combination of a lock and special mortise, whereas the original was for the lock *per se*.

Olin v. *Timken*, 155 U. S. 141 dealt with a broadened reissue not filed until six years after the original patent, and which thus violated the two-year rule laid down in the *Topliff* v. *Topliff* case.

The statement of petitioner (Pet. p. 21) that

> "This Court has not had occasion to pass on any case involving interpretation of the 'same invention' requirement of the reissue statute since *Olin* v. *Timken*, decided in 1894 (155 U. S. 141)."

is in error. The "same invention" requirement was considered and passed on in *Abercrombie & Fitch Co.* v. *Bald-*

win, 245 U. S. 198, where the reissue patent related to improvements in acetylene gas generating lamps and the broadened reissue patent held valid. The Court said at page 207:

> "There is nothing in this [the reissue] but what was clearly implied in the original, except the shape of the stirrer. In the original it is described and represented as bent. In the reissue it is stated to be obvious that the stirrer need not always be bent 'or extend radially from the mouth of the tube.'
>
> We are unable to assign to this the extent of alteration that counsel do * * *. One or the other might be better, according to the extent of the dispersion required, and one naturally suggested the other."

This Court also passed on the requirement of same invention in *Vandenburgh* v. *Truscon Company*, 261 U. S. 6, where the patentee had never used the invention of the original patent and secured the reissue nine years later for the purpose of covering intervening devices.

Thus nothing remains of petitioner's argument except a contention that the courts below erred in considering expert testimony as to what the original and reissue disclosed to them. Here also petitioner's contention is plainly untenable and in conflict with the decisions of this Court.

In all patent cases the question of the disclosure is addressed to the "person skilled in the art or science to which it appertains, or with which it is most nearly connected". (R. S. 4888)

In the case of a patent in the highly technical field of catalytic chemistry it is doubly proper that the question be, "What does the patent disclose to the chemist?". There are invariably verbal differences between original and reissue patents. The question of whether the *invention* remains the same is not one of whether there is a difference in form but whether there is a difference in substance.

On account of the very nature of the patent subject matter—a chemical process involving catalysis—the court

reviewed the testimony of the chemist witnesses of both parties and of a neutral expert appointed by the court on the question of what the two patents disclosed to them as persons skilled in the art. This consideration of the expert testimony was inherently necessary and proper, and the propriety of such consideration has been well stated by this Court in the following cases, among others:

> "Cases doubtless arise where the language of the specification and claim, both of the surrendered and reissued patents, is so interspersed with technical terms and terms of art that the testimony of scientific witnesses is indispensable to a correct understanding of its meaning." *Seymour* v. *Osborne*, 78 U. S. 516, 546.
>
> "It is not the construction of the instrument, but the character of the thing invented, which is sought in questions of identity and diversity of inventions." *Bischoff* v. *Wethered*, 76 U. S. 812, 816.

The rule is also recognized in the textbooks:

> "The seventeenth defense always requires to be supported by the introduction of the original patent [Seymour v. Osborne, 11 Wall. (78 U. S.) 516, 546, 20 L. Ed. 33 (1871)], and generally requires expert testimony showing that the outward embodiment of something claimed in the reissue, is substantially different from anything described in the original patent and apparently intended to be claimed therein." *Walker on Patents* (Deller's Ed.) Vol. Three, p. 2040.

There is some implication by petitioner that claims 1 to 7 of the original patent (also appearing in the reissue patent) were not infringed because limited to the introduction of water. The implication is unwarranted because (a) there was no finding by either court below that such claims were so limited and (b) petitioner, in its practice of the process, introduces 1.5% by volume of water with the ethylene and oxygen to the reaction zone.

Petitioner objects to the characterization of its defenses by the Circuit Court of Appeals as containing

> "little or no appeal to the beneficent principles of equity and good conscience",

and petitioner points out that this Court has shown a determination to guard against

> "* * * any abuse of that privilege by which the monopoly originally contemplated is artifically enlarged to embrace subsequent developments, thereby subjecting industry to hidden liens and unknown liability to vexatious lawsuits. * * *" (Pet. p. 19)

The implication that the case at bar is one where the reissue patent was so motivated or effective is utterly without record support and violates the findings below.

The present reissue was applied for promptly on the basis of nothing more than a study of the original patent by respondent after its rights were acquired (Supp. R. 267, 275); and the application was filed without respondent's knowledge of any activities by petitioner and at a time when petitioner's activities were secret and experimental (Supp. R. 219). Indeed, petitioner's infringement did not begin until more than two and one-half years after the application for reissue was filed and until more than two years after the reissue was granted.

In the light of both decisions below it is sheer pretense for petitioner to suggest that the reissue at bar was enlarged to embrace "subsequent discoveries, improvements or developments" by petitioner or by respondent or by anyone else.

Likewise for petitioner to say that "two processes" are involved is contrary to the findings of the District Court which were concurred in by the Circuit Court of Appeals. It was aptly held by the latter:

> "And, if claims #8 and #9 of the reissue patent had been added to the claims of the original patent, we

do not believe these claims could have been held to be invalid on the ground that these claims were not sufficiently covered by the specifications of the original patent." (App. R. 183)

The nub of the present petition is whether this Court shall institute the practice of reviewing on certiorari conventional patent cases where there are no conflicting decisions on the patents in different circuits and where the controlling findings of fact are concurrent in the courts below.

As this Court stated in *Layne & Bowler Corporation* v. *Western Well Works, Inc., et al.*, 261 U. S. 387, 393:

"* * * it is very important that we be consistent in not granting the writ of certiorari except in cases involving principles the settlement of which is of importance to the public as distinguished from that of the parties, and in cases where there is a real and embarrassing conflict of opinion and authority between the circuit courts of appeal. The present case certainly comes under neither head."

The decisions of District Courts and of Circuit Courts of Appeals for other circuits cited by petitioner (Pet. p. 21, 22), exhibit no conflict in principle with the decision below in the case at bar. In none of the cases cited by petitioner was a reissue patent invalidated or denied after a finding that the variance from its original was in a non-essential, unsubstantial, and immaterial respect.

Thus, in *Featherstone* v. *George R. Bidwell Cycle Co.*, 57 Fed. 631, 635-6, the difference concerned "a substantive part of his improvements" and "the claim which he asked for and obtained [by the original patent] embodied the parts which the description treated as substantive and valuable and only those parts", and the Court further stated:

"If, in the description of the invention, the patentee had indicated that he regarded the protective strips

merely as a desirable or preferential feature of his devices, it is not open to doubt that it would have been the appropriate office of a reissue to correct the claim of the original patent by eliminating them from it."

The others similarly present no conflict in principle, for example:

"Thus it will be seen the original patent and each of its claims call for anti-friction rollers nested or alternated, combined with a resilient centering device. These two things are vital elements of that patent. Now, it is sought by reissue to drop out the distinctive feature of the patent as described in the claims, and substitute another element, * * *" *Chicago Ry. Equipment Co.* v. *Perry Side Bearing Co.*, 170 Fed. 968, 974.

"The sole question in the case is whether or not there is sufficient disclosure in the original application to warrant granting appellant the claims at bar. * * * Appellant's reissue application contemplates that the failure of combustion will so operate the control apparatus while the pilot light is still in operation as to shut off the fuel. The original disclosure did not teach or suggest this result or manner of operation." *In re Williams*, 75 F. (2d) 520, 521.

"The claims that went to [original] patent are limited to rigid material * * * They [the reissue claims] do not contain any reference to the features of rigidity or shape retaining which are stressed in the [original] patent." *In re Overbury*, 95 F. (2d) 331, 332.

The findings of fact by the courts below in the case at bar were based on a comparison of the two patents and on testimony as to the process disclosed thereby to persons skilled in the art. Under the consistent decisions of this Court and of the Circuit Courts of Appeals, these findings support the conclusion on validity likewise reached concurrently below and call for denial of the petition.

II.

The decisions below denying petitioner's claim of intervening rights consistently follow the applicable decisions of this Court and of the Circuit Courts of Appeals.

Petitioner was aware of the issuance of the original patent. It was in communication with the French owners of that patent as shown by an interchange of communications (Plaintiff's Exh. 22, App. R. 124-148), which we believe clearly exhibit negotiations toward purchase which were frustrated by respondent's purchase. While petitioner speaks of a total expenditure of $150,000.00 on "development work" prior to the date of issuance of the reissue patent, the fact is that the evidence fails to show how this was spent and how much of it was related to the infringing process which it began two years later to employ, as distinguished from non-infringing processes in commercial use and open to all (Supp. R. 197). The fundamental inequity of petitioner's claims to intervening rights was properly characterized in the opinion of the District Court, which said as to petitioner's investment in its infringing plant:

> "But this was done by the company's officials with their eyes open to possible results. If they were too hasty or ill-advised with respect to possible conflict between their rights or interests and those of the plaintiff, this is not something that a court of equity can relieve against. Indeed, it is precisely the sort of thing which a court of equity should condemn, not condone." (Supp. R. 20)

This was reiterated by the Circuit Court of Appeals:

> "Defendant's last defense is in the nature of an attempt to invoke against plaintiff an equitable estoppel, based largely on expenditures by defendant before the

issuance of the reissue patent. Defendant is here clutching for a very feeble straw. * * *"

"The erection of defendant's elaborate plant in Baltimore after the issuance of the reissue patent, and defendant's elaborate activities thereafter were all in the nature of a gamble on the invalidity of the reissue patent by the defendant's officers, who hoped, if they were thus fortunate, to prosper by the appropriation of the intellectual property of another. If, through over-hasty action, this chance broke against defendant, we see little need for the shedding of any crocodile tears over the misfortune thus brought on the defendant." (App. R., 185-186)

The decisions below are not in conflict with the decision of this Court in *Sontag Stores Co. v. Nut Co.*, 310 U. S. 281, or the decision of the Second Circuit Court of Appeals in *Otis Elevator Co.* v. *Atlantic Elevator Co.*, 47 F. (2d) 545, cited by petitioner.

In the *Sontag* case, prior to the application for the reissue petitioner openly practiced the very operations which were later sought to be enjoined and "Respondent was moved to obtain the reissue by petitioner's use of the accused machine" (p. 282).

In the *Otis Elevator* case, the reissue application was filed seven and a half years after the original patent issued. Before the reissue was applied for, there had been made two experimental installations and, in addition, a regular commercial installation "of an equipment in a Federal Reserve Bank in Cleveland, which was accepted and has since then been in continuous operation" (p. 546). Petitioner further notes that the Second Circuit Court of Appeals indicated in the *Otis* case that the granting date of the reissue, instead of the filing date of its application, might be considered the terminal date for an accrual of intervening rights. This was *obiter dictum* because the patent was held invalid and not infringed.

The settled rule is, as stated in Walker on Patents, Deller's Edition, Vol Two, p. 1384, and cases cited:

> "The period during which intervening rights may attach runs from the date of original issue to the date of application for the reissue. [Odell v. Stout, 22 Fed. 159, 163; Ashland v. General, 27 F. (2d) 744; Naivette v. Bishinger, 61 F. (2d) 433; Topliff v. Topliff, 145 U. S. 156, 169; Roos v. McMillan, 64 F. (2d) 568, 569.]"

Moreover the acceptance of the filing date of the reissue application works no unreasonable hardship on the public. The risk with respect to reissues is no more than, indeed is less than, the risk incurred with respect to all applications for original patents. The fact of filing an original patent application is maintained in secrecy in the Patent Office, and all industry inevitably runs the risk of losing research and development expense, however great, which precedes commercial operations found later to infringe patents subsequently granted on prior filed patent applications. On the other hand the fact of filing a reissue application is made public through endorsement on the filewrapper of its original patent, when application for reissue is made (Rules of Practice of United States Patent Office, Rule 91).

Of course, the distinction between dates is immaterial in the case at bar because *both* filing and granting dates long preceded the commencement of petitioner's infringement.

Finally the case at bar does not at all present the special question regarding intervening rights to which this Court referred in *Keller et al.* v. *Adams-Campbell Company, Inc.*, 264 U. S. 314, 318. There

> "the defendants had made the shields in question and built the machinery for future manufacture before the patentee applied for reissue * * *."

Here, petitioner's experiments amounted to relatively little before the reissue was applied for (Supp. R. 20), and it did not start to build its plant for future infringement until a year after the reissue was granted (Supp. R. 230).

III.

Petitioner's argument for review on the ground that there is remote likelihood of future litigation on the patent is conceded by petitioner to have no support in the record. It has no more basis than in any conventional patent suit instituted when the first infringement occurs, and is untenable.

There is no evidence of record showing improbability of further litigation on the patent in suit in other Circuits, and no occasion for the Court to review this case any more than all patent cases.

Petitioner attaches *ex parte* affidavits of one of its officers, Mr. Metzger, and of Mr. Lehman an officer of an alcohol company which is a stranger to the suit. These affidavits are *ex parte* and misleading. Mr. Metzger attended the trial (Transcript, p. 644) but was not called as a witness. Mr. Lehman had representatives at the trial who likewise remained mute. Both affiants still remain silent on such pertinent facts as how much of the alleged total cost would be in appurtenances not necessary to create the basis for a suit, and how much would be for equipment, including silver, having recoverable value for non-infringing use (Supp. R. 230). The financial risk necessary to conduct infringement on a sufficient scale to challenge the patent at bar would be insignificant in all cases when expressed in percent of assets of potential infringers. As to the patent at bar, the cost of committing infringement would be relatively no different from that in every conventional situation where the patented invention is radically new and industrially valuable.

Moreover, the cases cited by petitioner in support of its argument for exception from the rule are clearly distinguishable from the case at bar.

In *Schriber-Schroth Co.* v. *Cleveland Trust Co.*, 305 U. S. 47, the patent in suit had been found invalid by a Special Master and by the District Court and valid by the Court of Appeals for the Sixth Circuit. These contrary conclusions showed validity doubtful, and writ of certiorari was granted on a showing that "notwithstanding the doubtful validity of the patents, litigation elsewhere with a resulting conflict of decision was improbable because of the concentration of the automobile industry in the Sixth Circuit". (p. 50)

In *Paramount Corp.* v. *Tri-Ergon Corp.*, 294 U. S. 464, the patent had been held invalid by the District Court and valid by the Circuit Court of Appeals for the Second Circuit.

In *Altoona Theatres* v. *Tri-Ergon Corp.*, 294 U. S. 477, this Court pointed out that the case presented no question of concurrent findings by courts below on the issue involved.

In *Mackay Co.* v. *Radio Corp.*, 306 U.S. 86, the District Court held the patent invalid and the Court of Appeals for the Second Circuit had reversed. This Court stated at page 89:

> "We granted certiorari because of the nature and importance of the case, on a petition which urged as grounds for its allowance that validity and infringement of the Carter patent were in doubt and that, as petitioner is the only competitor of respondent in the business of world wide radio communication further litigation, resulting in conflict of decision among circuits, was improbable."

In the case at bar the findings of the District Court and of the Circuit Court of Appeals for the Fourth Circuit are concurrent, and it thus calls for

> "* * * the application of the well settled rule that the concurrent findings of the lower courts on questions of fact will be accepted by this Court unless clear error

is shown. Wright-Blodgett Co. v. United States, 236 U. S. 397, 402; United States v. State Investment Co., 264 U. S. 206, and cases there cited." *Thomson Co.* v. *Ford Motor Co.*, 265 U. S. 445, 447.

The Record in the case at bar, as well as the *ex parte* affidavits accompanying the petition, make no showing of any exceptional circumstance such as any concentration of chemical industries in the Fourth Circuit. On the contrary, the Record shows a potential threat of infringement in the Ninth Circuit, one of the *ex parte* affidavits attached to the petition suggests a hostile interest in the Third Circuit, and other competitive chemical companies able to infringe are located in various other Circuits.

Petitioner, with full notice of the reissue patent, was not deterred from risking its investment to commence infringement on a grand scale. If other competitors prove to be more reluctant to incur such risk their course might be reasonably ascribed to a well founded recognition of the validity of the patent.

Conclusion

The concurrent findings of fact of the District Court and the Circuit Court of Appeals for the Fourth Circuit establish that in full compliance with the Statute and in harmony with the decisions of this Court and of the Circuit Courts of Appeals in applying the statute, the reissue patent at bar is for the same invention as the original patent. No intervening rights accrued to petitioner, and the concurrent findings of the District Court and the Circuit Court of Appeals to this effect are likewise in harmony with the applicable decisions of this Court and of the Circuit Courts of Appeals. There is no geographical concentration of potential infringers in any circuit, nor other exceptional circumstance calling for issuance of the writ.

As stated by the Circuit Court of Appeals herein:

> "This seems to be a typical case of a valid, original basic patent, in which the claims were inadvertently drawn in terms that were too narrow and these claims were, accordingly, subject to valid correction under a reissue patent." (App. R. 184)

The petition should be denied.

Respectfully submitted,

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Dated: New York, N. Y., October 22, 1941.

Revised Statute.

"Sec. 4888. (U. S. C., title 35, sec. 33.) Before any inventor or discoverer shall receive a patent for his invention or discovery, he shall make application therefor in writing, to the Commissioner of Patents, and shall file in the Patent Office a written description of the same, and of the manner and process of making, constructing, compounding, and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art or science to which it appertains, or with which it is most nearly connected, to make, construct, compound, and use the same; and in case of a machine, he shall explain the principle thereof, and the best mode in which he has contemplated applying that principle, so as to distinguish it from other inventions; and he shall particularly point out and distinctly claim the part, improvement, or combination which he claims as his invention or discovery. The specification and claim shall be signed by the inventor. No plant patent shall be declared invalid on the ground of noncompliance with this section if the description is made as complete as is reasonably possible."

Rules of Practice, U. S. Patent Office.

"91. The application for a reissue must be accompanied by an offer to surrender the original patent. The application should also be accompanied by the original patent, or, if the original is lost or inaccessible, by an affidavit to that effect. The application may be accepted for examination in the absence of the original patent or the affidavit, but one or the other must be supplied before the case is allowed. If a reissue be refused, the original patent will be returned to applicant upon his request.

When an application for a reissue is filed, the examiner will place in the files of the original patent a notice stating that an application for reissue has been filed and the date it was filed. When the reissue is granted or the reissue application is otherwise terminated, that fact will be added to the notice in the file of the original patent."